Remarks by the Superintendent

Alejandro Fernández W.

The Superintendency of Banks presents its first report on gender in the banking sector. This effort aims to contribute to the development of evidence-based public policies that promote gender equity throughout the Dominican financial sector. The information on loans and deposits received by this Superintendency of Banks from Financial Intermediation Entities (FIEs), disaggregated by gender, was used for its preparation.

Other jurisdictions have promoted similar initiatives, such as Chile, Peru, Costa Rica and Mexico, just to mention a few examples. In the case of the Financial Market Commission (CMF) of Chile, this institution has already prepared a similar product nineteen times.

This report is in line with the Sustainable Development Goals of the United Nations (UN), the Government Plan of President Luis Abinader, the National Development Strategy (END 2030) and the Institutional Strategic Planning (PEI 2021-2024) of the Superintendency of Banking.

Unquestionably, the report can be improved. However, a motto I often mention indicates that “perfect is the enemy of good.” We have made a great effort to make this first document as useful as possible for our sector, both for the users of the system as well as for the Financial Intermediation Entities (FIEs). We hope that it will be useful to continue promoting the insertion and participation of men and women within the Dominican banking sector.
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The financial sector is key to the economic development of a country, because it is through this financial sector that citizens have access to financing instruments that facilitate their productive participation in society, as well as their financial autonomy. This report responds to the need for studies that support the generation of evidence-based public policies for the strengthening of the Dominican financial sector from a gender-based differentiated perspective.

This document uses information on loans and demand deposits (or savings) disaggregated by gender, received through Financial Intermediation Entities (FIEs) during the period 2013-2020. In general, the following is highlighted:
By the year 2020, the percentage of the population that received loans, considering only the adult population, was approximately 27%, displaying a similar behavior between men and women during the period under study. This is consistent with data from the World Bank's Global Findex 2017, which specifies that, in developing countries, the population that receives loans typically averages around 20%.

In general terms, as of December 2020, in the Dominican country, there has been an increase in both male and female participation in all regions and provinces of the formal banking system. Overall, the average amount owed by women relative to men's average amount owed has been increasing over time, as has the percentage of female debtors. The female loan portfolio has grown in the last eight years by 37.5%. While female participation has increased compared to 2013, it remains lower than male participation. As of 2020, the indicator stood at 64.9%.

The mortgage loan portfolio, overall, is the one that, as of 2020, presents the closest approximation to gender parity in the distribution of outstanding loans, and it is the one that presents the smallest gap in terms of the amount owed.

A greater proportion of women opt for low-cost housing loans (54.0%) and have a significant share of housing loans for first homes (48.3%). However, there is a greater male participation in the portfolio for the acquisition of a second or vacation home (55.3%) and for remodeling purposes (55.3%).

In 2013, the average amount approved to a female debtor represented 71.6% of the amount approved to a male debtor. However, as of 2020, the indicator stood at 64.9%.

When disaggregating the data by type of account (savings, time deposits and demand deposit during the 2013-2020 period), it is noted that, in general, there is a greater female participation in terms of the number of savings and time deposit accounts. As of December 2020, for every 100 male savings accounts and time deposit accounts, there were 109 and 139 female accounts, respectively.

However, when analyzing the participation of men and women in the demand deposit portfolio, a different reality is evident. As of December 2020, for every 100 male demand deposit accounts whose holders are male, there were 111 and 124 female demand deposit accounts; and for every 100 female demand deposit accounts, there were 106 and 108 male accounts.

As of December 2020, 76.2% of the number of credits approved, for every foreign currency, men's debtors, overall, are 4.2% higher than those of women, regardless of currency. In general, the data indicate that the participation of men and women in formal banking has been increasing. There are differentiated tags based on gender, such as the gender in which the amount is granted to female borrowers in comparison to those granted to males, as well as the lagging on the average savings balances of female savings in comparison to male savings. It is recommended to continue strengthening the collection of financial information disaggregated by gender and potentially considering variables not addressed in this report that contemplate factors that may be affecting the participation of men and women within the Dominican banking system.

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Introduction

The Superintendency of Banks (SB) has prepared this report to take on an institutional commitment in order to generate knowledge products that can contribute to the development of public policies that promote gender equity in the country. In view of the institution’s mission competencies, determined through the Monetary and Financial Law No. 183-02, this report uses the information submitted by the Financial Intermediation Entities (EIF). It reflects data on the debtors registered, as well as the existing deposits in the country’s formal banking system.1

This report uses descriptive information disaggregated by gender since 2013. This is because since the issuance of Circular SB No. 002/2012 during the administration of Superintendent Haivanjoe NG Cortiñas, that the collection of credit information disaggregated by gender begins. Given that, upon issuing the circular, a transition period was granted for the adequacy of data collection; this report uses data from 2013 to December 2020.

1 The information collected in the Central Credit Risk Register (Central de Riesgos) has been specified in the Information Requirements Manual of the Superintendency of Banks.
As at December 2020, a total of 1,902,968 debtors was reported in the Dominican formal banking system. From these 51.5% was male, while 48.5% was female. It is observed that total female borrower base is 3 percentage points (pp) lower than the total male borrower base. Although the difference between the number of debtors is greater than that observed in some other jurisdictions in Latin America and the Caribbean (LAC), it has narrowed over time. As of December 2013, the number of debtors in the Dominican banking system was 1,427,745, of which 52.95% were male and 47.05% female. During the study period, the female loan portfolio increased by 37.5%, representing an increase of 252,089 female borrowers in 2020 compared to 2013.

It is important to note that, although this report provides important information on the country’s banked population, it does not reflect the total population. According to the provisions of the Monetary and Financial Law No. Article 56, para b of Article 183-02 requires Financial Intermediation Entities (EIF) to keep the secrecy of disaggregated deposits that reveal the identity of the user. That is why, in this report, it is not possible to visualize how many savers exist in the banking system. Only the total number of deposit accounts disaggregated by gender – information that will be used in this report – is allowed to be displayed.

The first reports on the financial sector from a gender perspective have been published in Latin America and the Caribbean (LAC) for more than a decade now. Being able to observe and analyse the portfolio of financial instruments offered in the sector in a differentiated manner makes it possible to generate relevant information for the formulation and execution of public policies that guarantee rule of law with a gender perspective.

International and local instruments have generated the necessary foundations for the development of public policies that ensure adherence to the Rule of Law through the inclusion of men and women as productive entities in society thanks to the use of financial services. One of the guiding instruments at global level are the Sustainable Development Goals (SDG) of the United Nations (UN). The SDG outline 17 aspirations to be achieved by 2030 with a view to ensuring inclusive development that takes into account the environment and natural resources. For the purposes of this report, two specific goals are cited: number five and eight. Number 5 goal aims to promote gender equality and empower women and girls, while goal 8 aims to promote decent work and economic growth, which is relevant for this report to “Strengthen the capacity of national financial institutions to promote and expand access to banking, financial and insurance services for all.”

The background section outlines the context and importance of the report, highlighting the significance of gender equality in the financial sector.

The report aims to provide insights into the gender distribution of borrowers in the formal banking system in the Dominican Republic, emphasizing the progress made over time and the challenges that still need to be addressed. The analysis is based on data collected from financial institutions, ensuring the confidentiality and integrity of the information provided.

The report acknowledges the importance of international frameworks and guidelines, such as the Sustainable Development Goals (SDG) set by the United Nations, in guiding the formulation of policies that promote gender equality and women’s empowerment in the financial sector. It highlights the relevance of these goals in the context of the National Development Strategy (NDS) 2030, which serves as the guiding instrument for the public administration in the Dominican Republic, aiming to align actions with the country’s development aspirations through inclusive development strategies.

The report also underscores the importance of financial inclusion and access to banking services for all segments of the population, particularly women, in promoting economic growth and addressing gender disparities. It emphasizes the role of financial intermediation entities in ensuring the confidentiality of disaggregated deposits and the necessity of disclosing total numbers of deposit accounts by gender for analytical and policy-making purposes.

The report concludes with an outline of the methodology used in the analysis, which includes data collection from financial institutions, data processing, and the application of statistical techniques to derive meaningful insights. It also highlights the limitations of the report, such as the inability to visualize the total population of savers and the importance of future research in expanding the scope of analysis to include additional indicators and perspectives.

The report is a valuable resource for policymakers, financial institutions, and researchers interested in understanding the gender dynamics in the financial sector of the Dominican Republic, contributing to the formulation of evidence-based policies that promote gender equality and inclusive financial access for all.
At the local level, Article 12 of the National Development Strategy (END 2030) of the Dominican Republic establishes that “all plans, programs, projects and public policies must incorporate a gender perspective in their respective areas of impact, in order to identify situations of discrimination between men and women and adopt actions to guarantee gender equality and equity.” Likewise, the National Plan for Gender Equality and Equity (PLANEG III) considers the economic autonomy of women as a national priority issue, one of its components is their economic empowerment and access to productive assets and resources. Regarding the institutional framework, one of the strategic axes of work of the Superintendency of Banks is to promote financial inclusion, seeking to promote the reduction of barriers in the access to the financial system of the country.

In recent years, there has been a reduction in women’s economic participation and opportunities that stands out. A deterioration of the wage equity indicators for similar jobs between men and women is observed, in a similar way it occurs in the estimated income of women in relation to men it is noted. This partially reflects the economic consequences generated by the pandemic since the beginning of 2020 in a differentiated way on the economic participation and labor opportunities for women. According to the World Bank’s Global Findex, wealth in developing countries is some 15 percentage points lower than that of men, but again the situation is worse for women. The report highlights that, in developing countries, 88% of women are financially excluded, compared to 69% of men. 11

HOW IS THE DOMINICAN REPUBLIC DOING IN TERMS OF GENDER EQUITY?

The Global Gender Gap Report of the Global Financial Inclusion, in its 2021 edition, positions the Dominican Republic at number 89 out of 156 countries, dropping 3 positions compared to 2020, and 15 positions respectively compared to 2018 (see Table 1).

the occupancy was 2.8 times higher than male

According to the Continuous National Labour Force Survey (ENCFT) of the Central Bank of the Dominican Republic revealed that, during the first quarter of the year, female open unemployment was 3.8% higher than male unemployment, being 6.5% for men and 12.3% for women. The survey also reports that 92% of the unemployed women are on average year-on-year reduction in the number of employed persons, while there was a drop of 178,723 jobs for women, the drop for men was 131,322.

In technical terms entitled What role can financial supervisors play in promoting Gender Equality? from the Toronto Centre, it is noted that banks do not have a clear understanding of the female market due to the absence of gender-disaggregated data, which hinders the development of products and services that meet the needs and financial behavior of women. Women’s Economic Empowerment from the Toronto Centre, it is noted that banks do not have a clear understanding of the female market due to the absence of gender-disaggregated data, which hinders the development of products and services that meet the needs and financial behavior of women.
Methodology

For the preparation of this report, we have used available credit and deposits information received through the regulatory reports available in the Information Requirements Manual (MRI) of the Superintendency of Banks. As reference, a literature review of similar reports published by international organizations and other supervisory bodies in LAC was undertaken. The information used for this report is divided into: loans and deposits.

With regards to loans, this report uses information of consumer loans, credit cards, mortgage loans, commercial loans and microcredits. By definition, the commercial portfolio includes the microloan portfolio. However, for the purposes of this report, microloans have been split from commercial loans to monitor the behavioral trend of the portfolio in a differentiated manner, disaggregated by gender. Deposits are distributed among savings accounts, current accounts and time deposits— that is, financial certificates held by depositors.

To estimate the percentage of the population that has received loans, we have used estimates of the total population aged at least 15 years, generated by the National Statistics Office (ONE) and those estimates were used during the observation period of the study.

The gender variable used for this report takes into account male and female binary gender, as stated in the Information Requirements Manual (MRI) of the Superintendency of Banks. This report uses the words female and/or woman to refer to data reported with a female headline, and the words male and/or man to refer to data reported with a male headline. Although it is an allowable scenario in which the holder of a credit instrument and/or the holder of a deposit account may allow that a person of the opposite gender uses his/her account or loan instrument, for purposes of analysis of this study, the gender of the holder has been considered. Meaning that, when analysing the data from a joint savings account between man and woman, or woman and woman or man and man, for example, this report uses the reported sex of the person who holds the instrument.

By using the terminology gender gap in this report, reference is made to inequalities that represent opportunities for the full banking inclusion of men and women.

Regarding the geographic distribution, the Superintendency uses four (4) regions: metropolitan, east, south and northern areas (see annex I). This report is limited to a descriptive analysis, based on a sample of approximately 1.9 million of people designated as debtors in formal banking, as at December 2020.

LIMITATIONS

When creating a knowledge product such as this one, it is important to recognize the limitations faced, so that the reader can benefit from the study. Hence, the following relevant limitations are set forth:

I) Natural Person. The total number of debtors and depositors considered in this report refers exclusively to individuals reported in the system.

II) Consumer credits. In the consumer loan section, there is data related to educational credit portfolio starting from 2015, rather than from 2013. This is because through Circular 02/2015 from that date forward Financial Intermediation Entities (FIEs) were requested to report them. Through this amendment, Table 78 is modified to include personal loans for educational purposes.

III) Microcredits. The microcredit data used for this study is from 2015. This is because the microcredit regulation was issued in 2014.

IV) Deposits. It is important to note that, although this report provides important information on the country’s banked population, it does not reflect the total population. According to the provisions of the Monetary and Financial Law No. Article 16/10, para of Article 163-02 requires Financial Intermediation Entities (EIF) to keep the secrecy of disaggregated deposits that reveal the identity of the user. Demographic characteristics, the age of the debtor is neither considered, nor relevant information about their socioeconomic profile and their income is known.

It is important to note that the data presented about deposits and loans only consider data reported by the EIF.
For the preparation of this report, two types of services that are included in the national banking sector were taken into account: the loan portfolio and the deposit portfolio.

With regards to the loan portfolio, it is worth mentioning again that it is divided into consumer loans, credit card loans, mortgage loans, commercial loans, and microloans. The deposits are divided into current accounts (also known as checking accounts or demand deposit accounts), savings accounts, and time deposits — the latter include financial certificates that users acquire in the system.

Results

As of December 2020, the total number of physical debtors registered in the system was 1,902,968. Disaggregated data at the national level shows that the credit portfolio is concentrated in the metropolitan region. In other words, a large part of the credit portfolio reported by formal banking, specifically 52%, is located in the National District and Santo Domingo, followed by the province of Santiago (see figures 1 and 2).
Durante 2013-2020, el total de distribución de deudores se concentró en Santo Domingo, Distrito Nacional y Santiago. Se observa una distribución baja de deudores en las provincias fronterizas.

Fuente: Central de Riesgos de la Superintendencia de Bancos, 2021.


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<th>Región</th>
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<td>Metropolitana</td>
<td>52%</td>
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<td>Norte</td>
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<td>Este</td>
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Fuente: Central de Riesgos de la Superintendencia de Bancos.
PERCENTAGE OF THE POPULATION THAT HAS RECEIVED LOANS

When looking at the credit penetration in the adult population, we note that, as of December 2020, less than 27% of the population had credit in formal banking, with a gender gap of approximately two (2) percentage points (pp). In the period studied, the portfolio of female debtors remained consistently below the portfolio of male debtors (see figure 3). This is consistent with the literature review. The World Bank's Global Findex 2017 specifies that, in developing countries, the credit penetration in the population that can receive a loan is usually, on average, close to 20%. However, when observing the credit buy in of the Economically Active Population (EAP) – that is, people who were working or actively looking for a job during the observation period, an inverse relationship is noted in the access to credit of men and women (see figure 4). As of December 2020, 43.2% of economically active women had some credit in formal banking, compared to 33.6% of men in the same condition. This represents a difference of approximately 10 percentage points in the credit insertion of men and women. In actual fact, of the economically active population, there is a higher proportion of women insertion in banking than men (see figure 5) and there are fewer economically active women than men (see figures 3 and 4), this would suggest a lower female participation in formal banking when analysing the penetration of credit taking into consideration the total adult population.

However, when observing the credit buy in of the Economically Active Population (EAP) – that is, people who were working or actively looking for a job during the observation period, an inverse relationship is noted in the access to credit of men and women (see figure 4). As of December 2020, 43.2% of economically active women had some credit in formal banking, compared to 33.6% of men in the same condition. This represents a difference of approximately 10 percentage points in the credit insertion of men and women. In actual fact, of the economically active population, there is a higher proportion of women insertion in banking than men (see figure 5) and there are fewer economically active women than men (see figures 3 and 4), this would suggest a lower female participation in formal banking when analysing the penetration of credit taking into consideration the total adult population.

Although there are fewer women debtors within the formal banking sector in comparison to the number of debtors as a percentage of the total population in the country, the evidence indicates that, in general, female debtors present a credit behavior with lower regulatory risk than the one men do. When analysing the credit classification established by the Asset Evaluation Regulation (REA) disaggregated by gender, 92.7% of the economically active population, there is a higher proportion of women insertion in banking than men (see figure 4) and there are fewer economically active women than men (see figures 3 and 4), this would suggest a lower female participation in formal banking when analysing the penetration of credit taking into consideration the total adult population.

Although there are fewer women debtors within the formal banking sector in comparison to the number of debtors as a percentage of the total population in the country, the evidence indicates that, in general, female debtors present a credit behavior with lower regulatory risk than the one men do. When analysing the credit classification established by the Asset Evaluation Regulation (REA) disaggregated by gender, 92.7% of male debtors have a very good credit profile (or low risk profile) compared to 89.9% of debtors. This means that, as reported by the Central Credit Risk Register (Central de Riesgos), women, in general, have a better payment behavior in comparison to that of men. However, a higher proportion of male debtors than female debtors fall into credit ratings that reflect a behavior of greater exposure to risk (see Figure 5). Figure 5. Credit scoring. More women than men usually have a good payment.
PARTICIPATION OF WOMEN COMPARED TO MEN IN FORMAL BANKING

In general, it seems that women’s average debt has increased over time compared to that of men, and the percentage of female debtors in comparison to male debtors (see Figure 6). Although female participation has increased compared to 2013, women’s credit participation in formal banking continues to be lower than men’s in all regions of the country (see Figure 7).

When disaggregated by province, it is noted that the total amount owed, on average, tends to be lower for women than for men (see Figure 8). In general terms, as of December 2020, for every RD$100 owed by male account holders, there were RD$65 owed by female account holders in formal banking (see Figure 6).

As at December 2020, for every credit equivalent to RD$100 pesos a man had, a woman had a credit of RD$69 pesos (see Figure 6). Overall, the average amount owed to women is lower than the one owed to men. When disaggregating the loan portfolio by type of FIE, according to the classification used by the Superintendency of Banks, it is noted that there is greater female participation in all types of FIEs, except in multiple banks, where for every 100 debtors, there are 87 female debtors (see Figure 9). This information is relevant, as multiple banks are the type of FIEs that offers the greatest variety of financial products. While noting that the total amount of female debt compared to that of men by type of Financial Intermediary Entity (FIE), it is evident that in general, the total amount owed by women tends to be lower than that of men, regardless of the type of FIE (see Figure 10). The gender gap increases in multiple banks, which means that in general, female loan debt can be as much as 40 percentage points (pp) lower than male loan debt when analyzing the data reported by such type of FIE, while in the other types of FIE the amount owed by women is usually between 20 to 10 percentage points lower than that of men.
Figura 9. Participación de mujeres en el sector bancario por tipo de entidad. Durante el periodo observado, en promedio, hay menos mujeres que hombres que toman créditos en múltiples bancos. Se observa una relación inversa en AAyP, CC y BAC.

Figura 10. Participación relativa de mujeres en relación con los hombres por tipo de intermediación financiera (total deuda). Durante 2013-2020, cuando se disgrega por tipo de EIF, el monto de deuda asumido por mujeres fue menor que el de los hombres.

Grafico 9
Participación del género femenino en relación al masculino por tipo de entidad (cantidad de deudores) diciembre 2013 - diciembre 2020

Grafico 10
Participación del género femenino en relación al masculino por tipo de entredud (monto deuda total) diciembre 2013 - diciembre 2020

**TYPE OF CREDIT**

Para el propósito de este reporte, el cartera de crédito se clasificó en los siguientes tipos de créditos: consumos, crédito tarjeta, hipotecas, comerciales y microcréditos. El monto de deudores que corresponden a créditos de consumos y tarjetas de crédito representan más de dos tercios del cartera, específicamente 78%, durante los periodos 2013 a 2020 (véase la Figura 11). Aunque los créditos hipotecarios representan 3% del total de deudores, son de gran relevancia, ya que el monto promedio de un préstamo hipotecario es usualmente mayor que los créditos que se asumen bajo otros tipos de instrumentos. En 2020, el promedio de deuda de un préstamo hipotecario fue RD$2,205,243.1 comparado con RD$515,334.3 (comercial), RD$246,771.5 (consumo), RD$41,237 (microcrédito) y RD$40,213 (tarjeta de crédito) (véase la Figura 12).


Grafico 11
Deudores por tipo de deuda (cantidad de deudores promedio diciembre 2013 - 2020)

Fuente: Comité de Riesgos de la Superintendencia de Bancos, 2021.

**Figura 12.** Participación de mujeres en el sector bancario.
As of December 2020, the average debt of men was higher than that of women in all types of credit. However, the opposite behavior was observed in the indicative consumer portfolio. The distribution of the number of credit cards shows a gender gap impacting women of six (6) pp, and in consumer credit cards of almost 14 pp (see Figure 13). This reality becomes more acute when looking at the average loan amounts of men and women. On average, the amount owed to women in the commercial loan portfolio tends to be about 64 pp below the amount owed to men. In other words, as of December 2020, for every RD$100 owed to a man for commercial purposes, approximately RD$36 was owed to a woman for the same purpose (see Figure 13).

As for the female credit card portfolio, the gender gap in terms of the amount credited to women has been gradually narrowing in relation to men (see Figure 21). As of 2020, the female gender gap in the credit card portfolio remains at 70.3% (see Figure 14). That is to say that, overall by 2020, for every 100 pesos owed on a male credit card, the woman owed 70 pesos. The data observed are limited to the gender of the person holding the card, so it is not apparent whether there are people of the same or opposite gender using the instrument, or any duplicates of the instrument (see Figure 14).
DISTRIBUTION OF DEBT BY TYPE AND GENDER.

Distribution of debt by type and gender shows that the male commercial portfolio is twice as large as the female portfolio. In other words, men show a much higher component of commercial bank debt than women. However, women show a higher component of housing, credit card, microcredit and consumer bank debt than men during the observation period (see Figure 15).

Figure 15. Male and female debt composition. Percentage of the total debt of each gender adjusted to the amount of credits per average person and people who do not take a type of loan.

Figure 16. Male and female debt composition by region. Percentage of the total debt of each gender adjusted to the amount of credits per average person and people who do not take a type of loan, segmented by region.
CONSUMER CREDIT BY GENDER.

Consumer loans include loans granted for educational purposes, new and used vehicles, loans granted through deferred credit and personal loans. As of 2020, the portfolio difference between men and women represented a difference of 8.6 pp with a gender gap to the detriment of women. Since 2013, the female portfolio grew by nearly 3 pp to December 2020. As of December 2013, the same was 43%, while the male rate was 57% (see Figure 16).

Figure 16. Consumer credit by gender. During 2013-2020, women’s consumer loans increased 2.7 pp, reducing gender gap.

Disaggregating the data by type of FIE it is reported that, in terms of consumer loans, there is a higher female participation in Savings and Loan Associations (S&LA), as well as in Credit Corporations (CC) with a gender gap in favor of men of 12.6 pp and 9.2 pp respectively. An inverse relationship is observed in the Savings and Credit Banks (BAC), as well as in the Multipurpose Banks (BM) of 14.1 pp and 19 pp, respectively (see figure 17).

Figure 17. Participation of female gender in consumption portfolio relative to male by type of Financial Intermediation Entities (FIE). During the 2013-2020 period, the female consumer portfolio has been increasing. There is a greater component of female participation in AAyP and CCs.

In terms of educational loans, the female component in the market is high, in some years they are even higher than the male participation in the market. The average debt percentage of the female portfolio was lower than that of the male portfolio during 2015-2020 period (see Figure 18). For the purpose of this report, personal lines of credit, as well as personal loans intended for educational expenses, were considered as educational loans. Although female participation is higher than male participation in this type of credit, this type of instrument represents between 0.01% and 0.50% of the total consumer portfolio during the observation period.

Figure 18. Educational loans granted to women compared to the amount granted to men. As of 2020, there was a higher percentage of women with educational credits than men. However, the average amount of debt was reported to be 17 pp lower than that of men.

When analysing the consumer loan portfolio, specifically loans granted for the acquisition of vehicles, there is a higher female participation component in the portfolio of new versus used vehicles. However, the gender gap in terms of loan approval amount is smaller in the used vehicle portfolio. In other words, when acquiring a new vehicle, in general, women have loans, on average, with lower amounts than men (see Figure 19). Such information indicated that women tend to behave more conservatively than men when applying for a car loan.

Figure 19. New and used vehicle loans granted to women in relation to the amount granted to men. During the observation period, women reported having a higher share of the new versus used vehicle portfolio.
During the 2013-2020 period, the gender gap in the distribution of credit card debtors (CT) decreased by three (3) pp. In other words, 638,296 new main credit card debtors were generated (see figure 20). Although the gender gap has been decreasing in terms of the number of credit approvals, it has been increasing in terms of the ratio of the average amount approved for women compared to men. In 2013, the average amount approved for a woman represented 71.6% of that of a man. However, by 2020, this percentage had risen to 64.9%. That is, as of December 2020, overall, for every 100 pesos approved on a credit card for a male cardholder, an average amount of 35.1 pesos less was approved for a credit card whose holder is a female (see figure 21).

In general, it is noted that the average debt in relation to the amount owed by women is usually two (2) percentage points higher than that of men (see figure 22) and that the debt behavior of men and that of women present similar trends. It is also observed that, in 2020, debt by both genders decreased. This was due to the following: 1) the effects generated by the measures adopted to control the spread of COVID-19 and 2) low-cost credit cards that were discontinued.

When disaggregating the data by type of credit card (CC), there seems to be a greater female component in the classic and gold CC portfolio. The more elite the type of CC, the less female participation is observed in relation to male participation (see Figure 23).

Figure 20. Credit card distribution. During the 2013-2020 period, the gender gap in the distribution of credit card debtors (CT) decreased by three (3) pp. In other words, 638,296 new main credit card debtors were generated (see figure 20).

Figure 21. Amount approved for women in relation to men. During the 2013-2020 period, the gender gap with regard to the amount approved in CC increased.

Figure 22. Debt in relation to the approved amount on Credit Card. During the 2014-2020 period, a linear relationship in CC debt for men and women is observed.

Figure 23. Evolution of women’s credit card type in relation to men. During the analysis period, there was a higher female participation in classic and gold CCs.
During the 2013–2020 period, the gender-based difference in CC tenure rose to 28.6 pp in elite cards.

Disaggregating the data by type of FIE, we observed that more women than men own credit cards issued by Savings and Loan Associations (S&Ls), with a gender gap in favor of men of 9.7 percentage points. However, this relationship is reversed in the Multiple Banks (BM) and Savings and Credit Banks (BAC) (see Figure 25).

MOUNTAGE LOANS

The mortgage loan portfolio represents 3% of the system’s total loan portfolio. Although it represents a small percentage of the total number of loans, it is important to note that the loan amounts approved tend to be higher than those for credit cards and consumer loans. It is the portfolio that, as of 2020, presents the closest approximation to gender parity in the distribution of outstanding loans (see Figure 26), and the one that presents the smallest gender gap in terms of the amount owed.

Disaggregating the data by type of credit, there is a greater proportion of women that opt for low-cost housing (54.4%) and have a significant share in loans for first homes (48%), and. However, there is a greater male participation in the portfolio for the acquisition of a second or vacation home (59.5%), as well as for remodeling purposes (55.3%).
During the 2013-2020 period, the gender gap narrowed by 4.6 pp in favour of women. A higher percentage of women opt for low-cost housing (54.4%) and have a significant participation in first homes (48%). The data disaggregated by type of co-signer shows a higher proportion of women having loans without a co-signer (76.2%) (see figure 28). This may be due to multiple factors that are not being examined in this report.

Looking at the distribution of the mortgage portfolio, there is a greater participation of one gender over another by type of EIF (see Figure 29). It is observed that since 2013, female participation has surpassed male participation in savings and credit banks (BAC). This type of EIF is followed by Savings and Loan Associations (S&Ls), where as of 2019 the female portfolio surpassed the male portfolio in terms of share of the mortgage loan portfolio. Although there is a relatively lower female participation in multiple banks, we also see an increasing linear trend in female participation (see Figure 29).
COMMERCIAL CREDITS

The commercial loan portfolio shows the largest gap in both portfolio distribution and amount of debt (see Figures 30 and 31). During the 2013-2020 period, female participation in the commercial portfolio has fluctuated, presenting a downward behavior since 2018. In 2020, female participation dropped to 40.3% (see Figure 30). When comparing the amount of commercial loans owed by women with those owed by men, it can be seen that they represented 24% of the total amount owed by men. 6% of male (see Figure 31). In other words, by 2020, for every RD$100 pesos owed to a man for commercial purposes, the female merchant would owe almost RD$25 pesos.

Such behaviors, in part, may be due to the adverse effects generated by the COVID-19 pandemic, as the literature review indicates that, in the Dominican Republic, female employability has been twice impacted compared to that of men. It is also important to note that within the commercial portfolio, female participation is concentrated in education, as well as in tourism (accommodation and beverages) and social services (see Figure 32). All of these sectors were highly impacted by the quarantine measures due to COVID-19.

As of 2016, the female distribution in Latin America was concentrated in education, social services, health, and tourism—this is also the case in the Dominican Republic (see Figure 32). The data reported for the female commercial portfolio reveal that the majority of loans are for educational purposes, followed by accommodation and beverages (tourism) and social services (see Figure 32 and 33). It is also observed that savings and credit banks are the type of EIF that attract and concentrate a higher percentage of female traders than male traders (see Figure 34).

![Figure 30. Commercial loans by gender.](image)

*Figure 30. Commercial loans by gender. During the 2013-2020 period, female participation within the commercial portfolio has decreased.*

![Figure 31. Total commercial amount of the female gender in relation to the male gender.](image)

*Figure 31. Total commercial amount of the female gender in relation to the male gender. During the study period, the gender gap widened in terms of the amount of commercial loans.*

![Figure 32. Loans per economic activity.](image)

*Figure 32. Loans per economic activity. Throughout the years, teaching has remained the main economic activity of female commercial loans.*

![Figure 33. Loans per economic activity.](image)

*Figure 33. Loans per economic activity. The data reported for the female commercial portfolio reveal that the majority of loans are for educational purposes, followed by accommodation and beverages (tourism) and social services.*

![Figure 34. Loans per economic activity.](image)

*Figure 34. Loans per economic activity. It is also observed that savings and credit banks are the type of EIF that attract and concentrate a higher percentage of female traders than male traders.*

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*Source: Ministerio de Trabajo y Seguridad Social, Banco Central de la República Dominicana.*

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Figure 33. Loans by economic activity (Top 5): debt. During the study period, it was observed that female retail education loans exceeded male retail education loans.

Figure 34. Participation of the female gender in relation to the male gender: commercial loans. Commercial loans granted to women are concentrated in savings and loan banks.

MICROCREDITS
In recent years, there has been a boost in the use of microcredit as a development tool in the Dominican Republic. Since 2012, the Dominican government encourages the development of small enterprises, businesses, agro-cultural businesses, among others, in order to boost the economy and promote the eradication of poverty by granting loans through banks. Such public policy led to the issuance of The Second Resolution of the Monetary Board dated 14 August 2014, which establishes Microcredit Regulations – an instrument to draw the guidelines for the financing and administration of microcredit through formal banking. It establishes the parameters to consider a microloan, as well as the risk profiles to be taken into account according to the debtor’s behavior and payment capacity.

The said regulation was updated in 2018 and is the one in force when this report was written. It establishes that microcredits must comply with the following characteristics: i) they must not exceed 50 minimum wages, ii) the debtor must have an activity or business or project to carry out with the financing, iii) the credit resources must be used to finance production activities, marketing of services, iv) they must not have a duration of more than 36 to 72 months (except in exceptional cases).

Looking at the microcredit portfolio, it is noted that this is a type of instrument that had a higher female participation than a male participation during the 2015-2020 period, with a gender gap in favor of men (see Figure 35). In 2020, for every 100 microcredit borrowers, 135 women borrowers were reported and for every RD$100 owed by a man, a woman microentrepreneur owed RD$112. However, in 2020, for every RD$100 owed by male microentrepreneurs, female microentrepreneurs owed RD$82 on average (see Figure 36).
WHERE IS THE FEMALE MICROCREDIT PORTFOLIO CONCENTRATED?

In Latin America and the Caribbean (LAC), women predominantly have both the education sector and the accommodation and food sector. According to CEPAL, in 2019, these figures rose to 70.4% and 61.5% respectively. Of those engaged in accommodation and food, 69.5% are microenterprises.¹⁹ The microcredit portfolio in the Dominican Republic shows a similar behavior. As of 2020, the most feminized sectors reported within the portfolio are: teaching, accommodation and food (tourism), social services, wholesale trade, social services, and other community activities (see Figures 37 and 38).

Figure 37. Microcredits: by economic activity (Top 5).

Number of debtors.

By 2020, loans to women micro-entrepreneurs in education exceeded those to men by 500 pp. Women’s microcredits are predominantly in service sectors (education, tourism, social).

Figure 38. Microcredits: by economic activity (Top 5). Total debt amount.

Number of debtors.

The largest share of debtors is concentrated in BAC.

DEPOSITS

The Monetary and Financial Law No.183-02 defines the deposit instruments that the Financial Intermediation Entities (EIF) may receive by EIF classification. These are divided into demand, savings, and time deposits.

Demand deposits are those that are transacted through current accounts, and savings are those that are deposited, as their name suggest, in savings accounts. With respect to time deposits, according to Circular No. 011/05 of the Superintendency of Banks, time deposits are as follows: time deposits in domestic and foreign currency, financial certificates, participation contracts in insured mortgages, mortgage bonds, bonds, investment certificates and any other similar instrument approved by the Monetary Board.

COMPOSICIÓN DEL AHORRO EN LA BANCA FORMAL

The observed data indicate that, overall, as of December 2020, there were more savings accounts with female account holders than those with male account holders. At that date, in general, for every 100 male accounts, there was an average of almost 106 female accounts.
As of December 2020, for every 100 male savings and installment accounts, there were 109 and 139 female accounts, respectively (see Figure 41). However, when analyzing the participation of men and women in the demand deposit portfolio, a different reality is evident. As of December 2020, in formal banking, for every 100 current accounts with male account holders, there were 68 current accounts with female holders (see Figure 41). While such reality reflects a gender gap of 32 percentage points impacting women, it is also important to highlight that this was the capital raising instrument that most reduced the gender gap between men and women during the 2013-2020 period (see Figure 41).

Additionally, it is observed that the total balance of female deposits has remained constant during the study period, even in a year as volatile as 2020, which was impacted by the COVID-19 pandemic (see Figure 40).

Figure 40. Female deposits in relation to male deposits. As of December 2020, it is observed that, on average, for every 100 male account, there were almost 109 female accounts in formal banking.

Figure 41. Deposits by type of account. It is noted that during the 2015-2020 period, there was higher female participation that male participation in total number of savings accounts and time deposits, while there was a higher male participation in terms of total number of current accounts.

When observing the composition of men’s savings and women’s savings by type of instrument, a similar behavior is evident in terms of the use of savings instruments. However, there is a higher component of savings accounts in the female portfolio compared to the male portfolio. With regards to current accounts, men are twice as likely as women to hold this type of account (see Figure 42).

Figure 42. Composition of women’s and men’s savings. During the 2013-2020 period, it is observed that a larger number of females have savings accounts and a larger number of males have current accounts.
INTEREST RATES
When analyzing the average interest rates granted for savings accounts and time deposits, it is observed that, as of December 2020, in general, women received an interest rate 16 percentage points higher than men in savings accounts and 10 percentage points lower in time deposits (see Figure 43). This is partly explained by the fact that there are more savings accounts in the to female than to male account holders, and that women maintain a lower total and average balance than men during the observation period, particularly in time deposits (see Figure 44).

Figure 43. Deposits: Interest Rates. During 2013-2020, in general, female savings accounts obtained a higher interest rate than those of men, while in time deposits they obtained an interest rate up to 10 percentage points lower than the rates obtained by male holders.

Figure 44. Deposits by type of account: total and average balance. During the 2013-2020 period, both, the total as well as the average balance of female deposits were generally lower than those of male deposits, regardless of the type of instrument.

DEPOSITS BY GEOGRAPHIC AREA
A breakdown of deposits by geographic area shows that, during the study period, regardless of the region of the country, in general, accounts whose holders are female had lower total balances than those accounts whose holders are male, with a gender gap in favor of women. As of December 2020, the regions with the highest gender-based inequality were the Eastern and the Northern regions (see Figure 45).

Figure 45. Deposits by geographic area. During the 2013-2020 period, it is noted that deposits made by women were lower than the deposits made by men in all regions of the country.

It can be seen that the largest increase in account numbers were time deposits in 2013 and 2020. In general, it is observed that the amount of monies deposited in savings accounts and time deposits by men and by women are quite similar, the most notorious difference is linked to current accounts. These represent a total balance of 39.8% in 2020.

DEPOSITS BY TYPE OF CURRENCY
For the purposes of this report, deposits have been broken down by two types of currency: domestic and foreign. Domestic currency deposits refer to savings deposited in Dominican pesos (DOP), while those deposits made in foreign currency refer to those deposits made in United States dollars (USD) and/or Euros (€). The two latter ones are comparable because they are reported in pesos.

When disaggregating deposits by type of currency, different realities become evident. On the one hand, in terms of savings account holdings, women have gradually opened more peso savings accounts compared to men during 2013-2020. While an inverse relationship is noted with respect to the holding of savings accounts in foreign currency. It appears that, during the study period, a higher percentage of men than women have opened savings accounts in foreign
Cuando se analizó el promedio de ahorro en moneda local y moneda extranjera, se observó que los hombres guardan en promedio más dinero en sus cuentas en comparación con las mujeres, independientemente de la moneda. Durante el periodo de estudio, por cada 100 pesos en promedio guardados por un hombre en moneda extranjera, una mujer guardó sólo 70 pesos (en promedio balance) (ver figura 46). Es importante notar que el abanico entre hombres y mujeres en depósitos en moneda local se amplió durante la observación.

La participación femenina en el sistema financiero formal ha aumentado, mostrando en general una relación lineal similar a la de la participación masculina. Mas mujeres que hombres participan en el total de cuentas de ahorros y créditos microfinancieros. En el portafolio de consumidores, hay una mayor participación de mujeres que hombres en particular en el portafolio de créditos de educación. Sin embargo, este instrumento representa 0.01% a 0.50% del total del portafolio de consumidores durante el periodo de observación.

El portafolio de créditos hipotecarios muestra que más mujeres que hombres eligen financiarse en viviendas de bajo costo y que, un mayor porcentaje de mujeres sin un cosignatario comparado con hombres sin un cosignatario, tienden a financiarse a través de bancos formales para fines hipotecarios.

Aunque la participación de hombres y mujeres ha aumentado en el sistema financiero formal, aún persisten retrasos en términos de cantidades de crédito y saldos promedio comparadas con hombres. Esto puede deberse a factores externos no examinados en este informe, asociados con desigualdades estructurales, tales como el nivel de ingresos de las mujeres en comparación con los de los hombres, la cantidad promedio solicitada por las mujeres en comparación con la cantidad aprobada, la cantidad promedio solicitada por los hombres y la cantidad aprobada, entre otros.

En adelante, el enfoque del análisis y la investigación en género debe continuar expandiéndose, considerando variables que no se hayan cubierto en este informe y potencialmente desarrollando modelos econométricos para corroborar hipótesis relacionadas con la inclusión financiera de hombres y mujeres en condiciones igualitarias. Algunas variables sugeridas para considerar basándose en la información existente o futura son: el crédito solicitado versus el crédito otorgado por género, el género del usuario que realmente utiliza el crédito, o el ahorro que utiliza las mujeres en el sistema financiero, la tasa de desempleo, la rango de edad, la profesión, el ingreso, el estado civil del usuario financiero.

Por último, es importante señalar que la penetración de crédito de los bancos formales está concentrada en las provincias de Santo Domingo y Santiago. Las otras provincias están pe更tras, lo que podría explicar la manera en que se ha desarrollado la inclusión financiera de hombres y mujeres en el sistema financiero formal. Esto dejaría un hueco para el desarrollo de polítiyas que enfoquen en el sector financiero en áreas con bajo nivel de inclusión financiera, que implicaría analizar los costos asociados con el crédito, tanto para el EIF como para los posibles usuarios ubicados en esas áreas, debido a sus diferentes niveles de poder adquisitivo.

Este informe pretendió ayudar a entender mejor el sistema financiero a través de la información desagregada por género. Los estudios como este representan una oportunidad para continuar habilitando un sistema financiero que facilite la productividad y autodeterminación del sistema.

CONCLUSIÓN

La participación femenina en el sistema financiero formal ha aumentado, mostrando en general una relación lineal similar a la de la participación masculina. Mas mujeres que hombres participan en el total de cuentas de ahorros y créditos microfinancieros. En el portafolio de consumidores, hay una mayor participación de mujeres que hombres en particular en el portafolio de créditos de educación. Sin embargo, este instrumento representa 0.01% a 0.50% del total del portafolio de consumidores durante el periodo de observación.

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GLOSSARY

Asociación de dueños y Préstamos: Mutual BF Type. These institutions may receive savings and time deposits (in local currency), receive loans from financial institutions, grant loans in local currency with mortgage guarantee intended for construction, acquisition and renovation of family homes and refinancing of mortgage debts, issue securities, issue credit, debit and charge cards in accordance with the legal provisions governing the matter, among other actions described in Law No. 183-02 that approves the Monetary and Financial Law.

Leverage: debt over income, this reflects how indebted the user is.

Multi Banks (BM): entities that may take demand deposits from the public, on demand or in current account, and carry out all types of operations included in the general catalogue of activities set forth in Article 180 of Law No. 183-02.

Mutual EIF: Asociación de Ahorros y Préstamos: Savings and Credit Banks: These institutions may receive loans from financial institutions, grant loans in local currency, with or without collateral, and grant lines of credit, enter into contracts of repurchase and other details related to loans as well as credit cards of all bank users.

The information contained in this manual contains the Information Requirements that are the entities practicing the normal collection of funds from the public in order to transfer them to third parties, whatever the type or denomination of the instrument of collection or assignment used. They may be of a public or private nature. In turn, private entities may be of a shareholding or non-shareholding nature.

Information Requirement Manual (MRI): this manual contains the Information Requirements that...
have been the result of a process of review, analysis and investigation of the information needs for the implementation of the new supervision methodology, resulting in a schematization and reorganization of the information by risks, as well as in a harmonization of tables and formats consistent with national and international standards, according to quantitative and qualitative characteristics of customers, products and services.

**Microcredit:** credit that is requested by individuals with their own small-scale activity or business; intended to finance productive, marketing or service activities; and whose main source of payment is generated from the sales and income generated by such activities. The amount thereof may be up to 50 minimum wages.

**Adult population:** the adult population of the Dominican Republic is between 15 and 65 years of age. This report uses estimates from the Office for National Statistics (ONE).

**Loans for the Acquisition of a Second or Vacation Home:** These are loans granted to individuals, who already have a mortgage loan for their home in the financial system, and acquire a second loan for the acquisition of another home or holiday home, usually payable in equal and successive installments, and are fully secured by the same real estate property. The above definition must be understood as exhaustive, so it does not include other types of credits, even if they are secured by a mortgage guarantee, which should be classified as commercial credits.

**Loans for the Construction or Remodeling of the Debtor’s Home:** They are loans granted to individuals for repair, remodeling, extension or construction of housing, generally payable in equal and successive installments and are fully secured by the property itself. The above definition must be understood as exhaustive, so it does not include other types of credits, even if they are secured by a mortgage guarantee, which should be classified as commercial credits.

**Loans for the Construction or Remodeling of a Second or Vacation Home:** These are loans granted to individuals for the repair, renovation, expansion or construction of a second or vacation home, generally payable in equal and successive installments, and are fully secured by the same real estate. The above definition must be understood as exhaustive, so it does not include other types of credits, even if they are secured by a mortgage guarantee, which should be classified as commercial credits.

**Personal Loans for New Vehicles:** Consumer credits granted exclusively for the acquisition of new vehicles (also known as zero kilometers). This type of loan is secured by the vehicle itself, and is classified as a pledged collateral with dispossession.

**Personal Loans for Used Vehicles:** Consumer loans granted exclusively for the purchase of used vehicles.

**Credit Cards:** payment instrument issued by the authorised financial intermediation entities, which allows the cardholder to cover the amounts of the transactions made through the means available in the payment system, and which will be financed by the card issuing entity, subject to a contractual agreement between the cardholder and the issuer.

**Personal Credit Cards with High Credit Limit (Platinum, Infinite):** High credit limit cards, targeted towards segments of the population with higher purchasing power that promote the consumption of luxury and high prestige goods. In this group are the Platinum, Infinite, Black among other denominations with similar characteristics.

**Medium Limit Personal Credit Cards (Gold):** Medium credit limit cards. Average amount is usually equivalent to and/or greater than RD$50,000.

**Lower Limit Personal Credit Cards (Classic / Standard):** Cards with low credit limits. In this category are the credit cards known as classic credit cards.
## APPENDIX

### Annex 1: Distribution of regions according to the Superintendencia de Bancos de la República Dominicana.

**NORTHERN REGION**

- Azua
- Bahoruco
- Barahona
- Barahona
- Elías Piña
- Independence
- Independencia
- Montecristi
- San Cristóbal
- Sánchez Ramírez
- Santiago
- Santiago Rodríguez
- Valverde

**SOUTHERN REGION**

- Distrito Nacional
- Santo Domingo
- Dajabón
- Duarte
- Espaillat
- La Vega
- María Trinidad Sánchez
- Monte Cristi
- Puerto Plata

**EASTERN REGION**

- El Seibo
- La Altagracia
- La Romana
- San Pedro de Macorís
- Monte Plata
- Hato Mayor
- Hermanas Mirabal
- Samaná
November 2021